

By: Davis

S.J.R. No. 41

A JOINT RESOLUTION

1 proposing a constitutional amendment providing that certain fees
2 charged in connection with certain consumer loans are attributable
3 to the lender and included in the computation of interest for
4 purposes of regulating interest rates.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 11, Article XVI, Texas Constitution, is
7 amended to read as follows:

8 Sec. 11. (a) The Legislature shall have authority to define
9 interest and fix maximum rates of interest; provided, however, in
10 the absence of legislation fixing maximum rates of interest all
11 contracts for a greater rate of interest than ten per centum (10%)
12 per annum shall be deemed usurious; provided, further, that in
13 contracts where no rate of interest is agreed upon, the rate shall
14 not exceed six per centum (6%) per annum.

15 (b) Any fee charged by a third party to a borrower for
16 arranging or otherwise facilitating a loan or other extension of
17 credit that is extended primarily for personal, family, or
18 household purposes and that is secured by a non-purchase money
19 security interest in personal property or unsecured is attributable
20 to the lender as interest for purposes of determining whether the
21 rate of interest on the loan is usurious or otherwise exceeds the
22 maximum rate of interest allowed by law.

23 SECTION 2. This proposed constitutional amendment shall be
24 submitted to the voters at an election to be held November 5, 2013.

1 The ballot shall be printed to permit voting for or against the
2 proposition: "The constitutional amendment providing that fees
3 charged by a third party in connection with arranging small
4 consumer loans are included in the computation of interest for
5 purposes of regulating interest rates."